

ST. TAMMANY PARISH CLERK OF COURT

ST. TAMMANY PARISH, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2011

ERICKSEN KRENTEL & LAPORTE^{LL.P.}

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INDEPENDENT AUDITORS' REPORT

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. Tammany Parish Clerk of Court (the Clerk) as of and for the year ended June 30, 2011, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Tammany Parish Clerk of Court, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2011, on our consideration of the St. Tammany Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

St. Tammany Parish Clerk of Court

December 27, 2011

Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and page 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements as a whole. The accompanying supplemental information listed in the table of contents as Other Supplementary Information is presented for the purpose of additional analysis is not a required part of the financial statements. The information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 27, 2011



Certified Public Accountants

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Management's Discussion and Analysis (MD&A) for the St. Tammany Parish Clerk of Court (the Clerk) is designed to:

- Assist the reader in focusing on significant financial issues; provide an overview of the Clerk's financial activities;
- Identify changes in the Clerk's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- Identify any significant variances from the original, amended and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- Identify individual fund issues or concerns.

The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Clerk's financial activities. The Clerk's basic financial statements consist of the following components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to present the financial operations of the Clerk as a whole in a format similar to private sector companies. The Statement of Net Assets presents information on the Clerk's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Clerk is improving or weakening.

The Statement of Activities presents information showing how the Clerk's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected taxes and earned, but unused vacation leave.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions - governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (see Exhibits C, D, E and F) provide a detailed short-term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The Clerk has only one governmental fund - the general fund, which is used to account for the Clerks basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Clerk's more immediate decisions on the current use of financial resources. The governmental funds columns of the fund financial statements require and include a reconciliation following the Balance Sheet (Exhibit D) and the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit F).

The fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds financial statements can be found on page 16 of this report. The only type of fiduciary fund accounted for by the Clerk is "agency" funds. Agency funds are custodial in nature and represent assets held by the Clerk as an agent for litigants pending court action. Under applicable standards of GASB Statement No. 34, agency funds are not included in the government-wide financial statements. These activities are excluded from the Clerk's other financial statements because these assets are not available to finance operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are for unsettled deposits and decreased \$3,558,942 during the current year.

Notes to the Financial Statements

The notes to the financial statements, in particular, "Note 1 - Summary of Significant Accounting Policies," discusses presentation and reporting requirements prescribed by the GASB standards. When reviewing this MD&A, the reader should refer to and review the notes to the financial statements (beginning on page 17), as well as the government-wide and fund financial statements (included in Exhibit's A through G).

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

FINANCIAL HIGHLIGHTS

- At June 30, 2011, the St. Tammany Parish Clerk of Court maintained an unrestricted net assets balance of \$2,209,809. Unrestricted net assets represent the net balance of all types of assets accumulated by the Clerk in excess of the amount invested in capital assets and any restricted assets. Restricted assets are those which are constrained by creditors, grantors, contributors or by laws and regulations. As of June 30, 2011, the Clerk did not have any restricted assets.
- At fiscal year-end, the total investment in capital assets increased to \$143,953.
- Total assets at June 30, 2011, were \$3,710,159 while total liabilities amounted to \$1,356,397. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.
- The most significant continuing revenue sources for governmental activities were \$2,846,120 in revenues from document recording fees and \$4,815,821 in charges and court costs for suits and successions.
- Total expenses of the Clerk exceeded the total revenues for the fiscal year, resulting in a decrease in net assets of (\$529,594).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Included below are the condensed Statements of Net Assets for the St. Tammany Clerk of Court.

Condensed Statements of Net Assets – Governmental Activities

	June 30, 2011	June 30, 2010
Current and other assets	\$ 3,566,206	\$ 3,586,199
Capital assets, net	<u>143,953</u>	<u>135,565</u>
Total assets	<u>3,710,159</u>	<u>3,721,764</u>
Liabilities	<u>1,356,397</u>	<u>838,408</u>
Total liabilities	<u>1,356,397</u>	<u>838,408</u>
<u>Net Assets:</u>		
Invested in capital assets	143,953	135,565
Unrestricted net assets	<u>2,209,809</u>	<u>2,747,791</u>
Total net assets	<u>\$ 2,353,762</u>	<u>\$ 2,883,356</u>

See Exhibit A for a more detailed Statement of Net Assets for the St. Tammany Parish Clerk of Court.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Government-Wide Review of Condensed Statement of Net Assets

The composition of Net Assets and the changes in net assets over time serves as a useful indicator of a government's financial position. The St. Tammany Parish Clerk of Court's assets at fiscal year-end exceeded liabilities by \$2,353,762 (Net Assets), with the Clerk reporting positive balances in all categories of net assets. Of the total net assets, \$2,209,809 are unrestricted net assets. The balance of net assets consists of \$143,953 invested in capital assets.

The largest component of the "Current and Other Assets" category is investments totaling \$3,400,000, which are unrestricted and available to meet the Clerk's operational obligations. These funds increased by \$118,525 during the year ended June 30, 2011.

Capital assets, totaling \$143,953, represent the investment in computers, furniture and equipment, all of which are more fully described in a later section. This balance is \$8,388 more than last year primarily due to current year acquisitions of assets.

The "Liabilities" category consists of accrued liabilities, deferred revenue, compensated absences, and other post-employment benefits. Total liabilities increased by \$517,989 during the current year which is a result of the other post-employment benefit liability increase.

Statement of Activities

The Statement of Activities for the St. Tammany Parish Clerk of Court is presented in Exhibit B. An explanation of the components of this statement is as follows.

There are two categories of revenues on the Statement of Activities – "Program Revenues" and "General Revenues". "Program Revenues" are derived directly from the program itself and they reduce the net cost of the function to be financed from the government's "General Revenues", which are presented below:

	June 30, 2011	June 30, 2010
Program Revenues:		
Charges for services	\$ 8,726,979	\$ 8,185,265
General Revenues:		
Other revenues	84,767	47,796
Interest earnings	58,965	74,809
Total general revenues	143,732	122,605
Total revenues	\$ 8,870,711	\$ 8,307,870

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Statement of Activities (continued)

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Program Expenses:		
Personnel services	\$ 8,342,656	\$ 7,967,717
Operating services	678,760	651,292
Materials and supplies	317,407	175,633
Seminars and conventions	10,750	14,271
Capital outlays	<u>50,732</u>	<u>24,281</u>
 Total expenses	 <u>\$ 9,400,305</u>	 <u>\$ 8,833,194</u>

ANALYSIS OF FUND FINANCIAL STATEMENTS

The Clerk maintains only one "governmental fund" – the general fund. Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Exhibit</u>
Balance Sheet	C
Statement of Revenues, Expenditures and Changes in Fund Balance	E

Governmental Funds

Under the modified-accrual basis for fund financial statements, the emphasis is on accounting for current financial resources. The analysis in this section includes a discussion of components of the fund financial statements but concentrates on differences not discussed previously for the government-wide financial statements.

At fiscal year-end, the general fund reported an unassigned fund balance of \$3,369,527. Receivables totaling \$23,547, investments totaling \$3,400,000 and cash and cash equivalents totaling \$58,363 are identical to the government-wide presentation. Capital assets of \$143,953 are presented only in the government-wide presentation. The fund financial statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures and Changes in Fund Balance). Liabilities totaling \$112,383 consist of deferred revenue and accrued liabilities. Since compensated absences are only recorded when paid and other post-employment benefits are not due in the current period, they are not included here.

The fund reporting format presents in the Statement of Revenues, Expenditures and Changes in Fund Balance all revenue types followed by the expenses of the Clerk, presented on a functional basis. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and prepaid expenses. As previously noted, in the fund financial statements, capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures and

ST. TAMMANY PARISH CLERK OF COURT
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Changes in Fund Balance); whereas the government-wide financial statements report capital assets on the Statement of Net Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to this MD&A and the basic financial statements, this report also presents certain required supplementary information which includes a Budgetary Comparison Schedule found on Schedule A-1. The presentation under the GASB Statement No. 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

ANALYSIS OF BUDGET VARIATIONS IN THE GENERAL FUND

Actual revenues were greater than final budgeted revenues by approximately 2.61% and actual expenditures were greater than budgeted expenditures by approximately 3.61%.

The variations from the original budgeted revenues and expenditures for the general fund were as follows:

- Actual revenues were greater than the final budget by \$224,678 primarily due to an increase in internet revenue.
- Expenditures were greater than the final budget by \$310,982 due primarily to an increase in personnel costs.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets at Year-End

Capital assets had a net increase of \$8,388 for the year ended June 30, 2011, primarily due to the purchase of new office equipment. The notes to the financial statements, in particular Note 4, "Capital Assets," discusses detail of capital assets.

Long Term Debt

Since Clerk's of Court are not allowed to incur long-term indebtedness for bonds or notes payable, the Clerk had no long-term debt outstanding.

ECONOMIC FACTORS

For the 4th year, the sluggish economy continues to affect the Clerk's office in that revenues that are associated with home sales and the resulting recording fees remain very low. However, we did experience an increase in income in the recording department of \$172,850 over the previous

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

fiscal year. Seven months of the year had income generated from recording land documents exceeding \$200,000, as compared to three months last fiscal year. Additional good news is that the first five (5) months of fiscal year 2010-11 have monthly recording income all above \$200,000 which is a definite indicator that the real estate market has some movement. And, interest rates on home loans are under 4% which is leading to another flurry of refinances and mortgage document filings.

Our income from the Civil Department dipped slightly (\$49,022) but still broke the \$4 million dollar mark and gave us the income we needed for fiscal year 2010-11. This income remains largely attributable to the high number of foreclosure suits filed. The sheriff continues to schedule 50 or more "sheriff sales" per week and these are again scheduled to continue for the duration of the upcoming fiscal year.

Our investment with the online records search through our website was a key factor in this and future year's income streams, bringing in more than \$544,625 for fiscal year 2010-11. We did have some major technology purchases to make, but these expenditures only came to \$51,000. More and more customers are researching records online and paying the Clerk's office to conduct business conveniently from their office, homes or laptops. Our Slidell Clerk's Annex Office opened in March 2011. The funds required to set up with furniture, copiers, scanners, fax, etc. were paid partly with insurance proceeds and approximately \$17,000 in additional funds from our assets. This office has been slow to establish itself and income during the first few months was drastically lower than it had been in the years preceding Hurricane Katrina. For one thing, attorneys, title agents and abstractors learned to use our online research option. For another, many of the businesses which used the services of the Slidell office closed down in the aftermath of the hurricane and slowdown of the real estate economy. After a July and August 2011 "Face to Face" publicity campaign by our managers and Slidell staff, more customers are coming in to use the services of the Slidell office and income is slowly rising.

From recent meetings of the Clerk's Association, it appears that the employer's retirement contributions will remain the same (17.25%) for the upcoming fiscal year. Because the calculations are based on a "5 year smoothing" of the market, we will not see any relief from this rate of contribution for at least 3 more years. The 17.25% employers' portion of the retirement contribution is a hefty portion of our budget.

In conclusion, the Clerk's office anticipates that we will be able to maintain our budget for the fiscal year 2011-12 and will be able to remain stable as long as the real estate market continues to recover. In addition, any requirements concerning OPEB will be addressed through the Fund Balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Tammany Parish Clerk of Court's finances. Questions concerning this report or the need for additional information should be directed to Malise Prieto, Clerk of Court, St. Tammany Parish, P.O. Box 1090, Covington, Louisiana 70434.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 58,363
Investments	3,400,000
Receivables	23,547
Prepaid insurance	84,296
Capital assets, net of accumulated depreciation	<u>143,953</u>
 Total assets	 <u>3,710,159</u>
 <u>LIABILITIES:</u>	
Accrued liabilities	11,151
Deferred revenue	101,232
Compensated absences	247,130
Other post-employment benefits	<u>996,884</u>
 Total liabilities	 <u>1,356,397</u>
 <u>NET ASSETS:</u>	
Invested in capital assets	143,953
Unrestricted	<u>2,209,809</u>
 Total net assets	 <u><u>\$ 2,353,762</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Change in Net Assets</u>
<u>Governmental activities:</u>			
General government	\$ 9,400,305	\$ 8,726,979	\$ (673,326)
		General revenues:	
		Interest income	58,965
		Other	84,767
		Total general revenues	143,732
		Change in net assets	(529,594)
		Net assets - beginning	2,883,356
		Net assets - ending	\$ 2,353,762

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2011

	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 58,363
Investments	3,400,000
Receivables	<u>23,547</u>
 Total assets	 <u>\$ 3,481,910</u>
 <u>LIABILITIES:</u>	
Accrued liabilities	\$ 11,151
Deferred revenue	<u>101,232</u>
 Total liabilities	 <u>112,383</u>
 <u>FUND BALANCE:</u>	
Unassigned	<u>3,369,527</u>
 Total fund balance	 <u>3,369,527</u>
 Total liabilities and fund balance	 <u>\$ 3,481,910</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Fund balance - governmental fund	\$	3,369,527
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds.

Governmental capital assets		923,341
Less: accumulated depreciation		(779,388)

Prepaid expenses are not recorded as an asset on the governmental balance sheet as they represent funds that have already been expended.		84,296
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Compensated absences are not payable out of current funds and are not included in the governmental fund balance		(247,130)
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The liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.		(996,884)
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Net assets of governmental activities	\$	<u>2,353,762</u>
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The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>
<u>REVENUES:</u>	
Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 4,815,821
Fees for recording legal documents	2,846,120
Fees for certified copies	266,668
Interest income	58,965
Marriage licenses	26,427
Other	<u>828,927</u>
 Total revenues	 <u>8,842,928</u>
<u>EXPENDITURES:</u>	
General government:	
Administration	482,057
Recordings and filings	1,699,153
Mortgage certificates	1,176,649
Civil suits and probates	2,883,088
Criminal suits and minutes	2,174,294
Elections	199,022
Computers	<u>302,229</u>
 Total expenditures	 <u>8,916,492</u>
 Deficiency of revenues over expenditures	 (73,564)
<u>OTHER FINANCING SOURCES:</u>	
Proceeds from sale of asset	<u>25,000</u>
 Total other financing sources	 <u>25,000</u>
 Net change in fund balance	 (48,564)
 FUND BALANCE, BEGINNING	 <u>3,418,091</u>
 FUND BALANCE, ENDING	 <u><u>\$ 3,369,527</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balance - government fund \$ (48,564)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. 28,379

In the Statement of Activities, the gain on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the cost of the assets discarded \$26,075, net of related accumulated depreciation of \$6,084. (19,991)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Change in prepaid insurance 12,439

Change in compensated absences (7,102)

The change in the liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds. (494,755)

Change in net assets of governmental activities \$ (529,594)

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	<u>Agency Funds</u>		<u>Total</u>
	<u>Advance</u>	<u>Registry of</u>	<u>Agency</u>
	<u>Deposit Fund</u>	<u>Court Fund</u>	<u>Funds</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 963,927	\$ 7,701,172	\$ 8,665,099
Investments	<u>5,370,000</u>	<u>-</u>	<u>5,370,000</u>
 Total assets	 <u>\$ 6,333,927</u>	 <u>\$ 7,701,172</u>	 <u>\$ 14,035,099</u>
<u>LIABILITIES:</u>			
Unsettled deposits	<u>\$ 6,333,927</u>	<u>\$ 7,701,172</u>	<u>\$ 14,035,099</u>
 Total liabilities	 <u>\$ 6,333,927</u>	 <u>\$ 7,701,172</u>	 <u>\$ 14,035,099</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany Parish Clerk of Court (the Clerk) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

As provided by Article V. Section 28 of the Louisiana Constitution of 1974, the Clerk serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and has other duties and powers provided by law. The Clerk is elected for a four-year term.

For financial reporting purposes, the Clerk includes all funds, account groups and activities that are within the oversight responsibility of the Clerk as an independently elected parish official. The Clerk is solely responsible for the operations of her office, which include the hiring or retention of employees, Clerk over budgeting and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity. Certain units of local government, over which the Clerk exercises no oversight responsibility, such as the Parish Council, Parish School Board, other independently elected parish officials and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded when paid.

Fees and charges for services, interest earnings and other revenues of the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The financial statements of the Clerk include the following major governmental fund:

General Fund - The general fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, two agency funds are included - The Advance Deposit Fund and The Registry of Court Fund. Agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842 is used to account for advance deposits in suits filed by litigants. The advances are refunded to the litigants after all costs are paid. The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds held by order of the court until judgment is rendered by the judiciary. Withdrawal of funds can be made only upon order of the court.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget and Budgetary Accounting

Formal budget integration is employed as a management control device during the year for the general fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 2011 fiscal year was made available for public inspection at the Clerk's office on June 10, 2010. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal twelve days before the public hearing. The budget hearing was held at the Clerk's office on June 25, 2010. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Under state law, the Clerk may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Clerk may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at fair value using published market values.

Capital Assets

Capital assets, which include computers, furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical costs are not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$2,500 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

Capital outlays are recorded as expenditures of the general fund, and they are recorded as assets in the government-wide financial statements to the extent the Clerk's capitalization threshold is met. The Clerk has no infrastructure assets.

All capital assets are depreciated using the straight-line method over useful lives of five to twelve years.

Compensated Absences

Employees accrue vacation leave at the rate of 10 to 20 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year with written approval of supervisor or department head. Vacation leave in excess of the carry forward amount is forfeited. Employees accrue sick leave at a rate of 6 to 12 days per year, according to years of service with the Clerk's office. Employees are allowed to carry forward a maximum of 30 days of unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused sick leave at the discretion of the Clerk. At retirement, employees are paid for all accrued vacation leave.

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a liability in the Statement of Net Assets.

Fund Equity

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets - Consists of capital assets, net of accumulated depreciation
2. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or invested in capital assets

Fund Statements

During the year, the Clerk adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements (continued)

The Clerk, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Clerk authorizes management to assign amounts for a specific purpose.

When committed, assigned or unassigned fund balances are available for use it is the Clerk's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management Review

Management has evaluated subsequent events through December 27, 2011 the date which the financial statements were available to be issued.

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2011, the Clerk had cash and cash equivalents (book balances) as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
<u>Cash and Cash Equivalents:</u>			
Petty cash	\$ 1,990	\$ -	\$ 1,990
Interest bearing deposits	<u>56,373</u>	<u>8,665,099</u>	<u>8,721,472</u>
Total	<u>\$ 58,363</u>	<u>\$ 8,665,099</u>	<u>\$ 8,723,462</u>
<u>Investments:</u>			
Certificates of deposit	\$ 1,850,000	\$ 4,170,000	\$ 6,020,000
LAMP Account	<u>1,550,000</u>	<u>1,200,000</u>	<u>2,750,000</u>
Total	<u>\$ 3,400,000</u>	<u>\$ 5,370,000</u>	<u>\$ 8,770,000</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2011, the Clerk had \$16,333,218 in deposits (collected bank balances), which includes investments in certificates of deposit of \$5,120,000. These deposits are secured from risk by \$4,000,000 of federal deposit insurance and \$12,333,218 of pledged securities held by the custodial bank in the name of the bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the bank has failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2011, was not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(2) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

LAMP is a money market like investment pool. The following facts are relevant for money market-like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: Money market-like investment pools are excluded from this disclosure requirement, per paragraph 15 of GASB Statement No. 40.
- Foreign currency risk: Not applicable to money market-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

(3) RECEIVABLES

The receivables of \$23,547 at June 30, 2011, consisted of the following:

Court attendance	\$ 2,700
Recordation	4,321
Fees	<u>16,526</u>
Total	<u>\$ 23,547</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(4) CAPITAL ASSETS

Change in capital assets for the year ended June 30, 2011, consisted of the following:

<u>Governmental Activities</u>	<u>Balance at June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>
Capital assets being depreciated:				
Computers, furniture and equipment	\$ 868,664	\$ 80,752	\$ (26,075)	\$ 923,341
Less: accumulated depreciation	(733,099)	(52,373)	6,084	(779,388)
Net capital assets, net	\$ 135,565	\$ 28,379	\$ (19,991)	\$ 143,953

During the year ended June 30, 2011, the Clerk's capital outlay expenditures totaled \$131,484. Purchases totaling \$50,732 fell below the Clerk's capitalization threshold of \$2,500.

(5) COMPENSATED ABSENCES

At June 30, 2011, employees of the Clerk of Court had accumulated and vested \$247,130 of employee leave benefits. This amount is recorded as a liability on the Statement of Net Assets.

(6) RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 36 member Clerks of Court. The Clerks pay an annual premium to CSIAF for their general insurance coverage. The Articles of Association of the CSIAF provide that CSIAF will be self-sustaining through member premiums. The CSIAF pays claims, in excess of the Clerk's deductible of \$3,750, up to a maximum limit of \$1,000,000 for each insured event. During the year ended June 30, 2011, no claims were made against the St. Tammany Parish Clerk of Court for risks covered by the CSIAF. Accordingly, no liability for claims was recognized as of June 30, 2011. No settlements exceeded insurance coverage for each of the past three fiscal years.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(7) PENSION PLAN

Plan Description

Substantially all employees of the Clerk's office are members of the Clerks of Court Retirement and Relief Fund (the Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the Fund. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/2 percent of their final-average salary for each year of credited service and not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55, and receive the benefit accrued to their date of termination. The Fund also provides death and disability benefits. Benefits are established and amended by state statute.

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy

Members of the Fund are required by state statute to contribute 8.25 percent of their annual covered salary, and the St. Tammany Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. The contribution requirements of plan members and the St. Tammany Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Beginning July 1, 2001, the Clerk voluntarily began paying both the employee and employer required contributions.

The St. Tammany Parish Clerk of Court's contributions to the Fund for the years ending June 30, 2011, 2010 and 2009, were \$1,169,131, \$1,144,434, and \$941,837, respectively, equal to the required contributions for each year.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN

Plan Description

In addition to the pension benefits described in Note 7, the Clerk provides post employment healthcare and life insurance benefits to all employees who retire from the Clerk under the same restrictions as in the above note. As of June 30, 2011, there were 26 retired employees participating in the post employment healthcare and life plan.

Funding Policy

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employee/retiree and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for above employees and is recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for all employees for the fiscal year ended June 30, 2011, aggregated \$889,264. For the year ended June 30, 2011, the cost of retiree benefits included in total paid premiums was \$59,671.

Annual OPEB Cost

The Clerk's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2010 is \$554,426 as set forth below.

Normal cost	\$ 306,615
30-year UAL amortization amount	226,487
Interest on the above	<u>21,324</u>
Annual required contribution (ARC)	<u>\$ 554,426</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Annual OPEB Cost (continued)

The following table presents the Clerk's OPEB Costs and OPEB Obligation for the fiscal year 2011:

Annual required contribution	\$ 554,426
Interest on net OPEB obligation	-
ARC adjustment	-
OPEB cost (expense)	<u>\$ 554,426</u>
Beginning net OPEB obligation, July 1, 2010	\$ 502,129
Change in net OPEB obligation:	
Annual OPEB cost (expense)	554,426
Contributions made (retiree cost)	<u>(59,671)</u>
Ending net OPEB obligation, June 30, 2011	<u>\$ 996,884</u>

Utilizing the pay-as-you-go method, the Clerk contributed 11% of the annual post employment benefits costs during 2011.

Funded Status and Funding Progress

As of June 30, 2011, the Clerk did not have an OPEB trust. A trust was established with an effective date of July 1, 2009, but was not funded at all, has no assets, and hence has funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of \$6,341,535 was unfunded.

The funded status of the plan as of July 1, 2010, was as follows:

Accrued liability (AL)	\$ 6,341,535
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,341,535</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employee covered by the plan)	4,733,120
UAAL as a percentage of covered payroll	134%

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(8) OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 10.0% and 5.0% for Medical and Dental, respectively, scaling down to ultimate rates of 5.5% and 3.5% per year. The Clerk's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2011 was twenty eight years.

Schedule of Funding Progress for OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
6/30/2010	\$ -	\$ 6,341,535	\$ 6,341,535	-	\$ 4,733,120	134%

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(9) DEFERRED COMPENSATION PLAN

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(10) CONTINGENT LIABILITIES

From time to time, the Clerk is involved as a defendant in actual or threatened litigation, which is not covered by insurance. At June 30, 2011, there were no pending or threatened claims, which, in the opinion of the Clerk's legal advisors, would have a material adverse affect on the financial statements, should such claims be settled in favor of the plaintiffs.

(11) EXPENDITURES OF THE CLERK OF COURT REQUIRED TO BE PAID BY THE PARISH COUNCIL

Louisiana Revised Statute 13:784 requires the Parish Council to provide the Clerk with all necessary office furniture, equipment and record books. During the year ended June 30, 2011, as well as for several years prior thereto, items provided by the Parish Council have been limited to certain furniture and fixtures, office and storage space and utilities.

(12) EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years, at the close of the term of office, the Clerk must pay the Parish Council the portion of the general fund's fund balance that exceeds one-half of the general fund revenues for the Clerk's last year of office, which amount shall be limited to the total funds provided the Clerk by the Parish during said term of office. At June 30, 2011, the general fund's balance did not exceed one-half of the general fund revenues.

(13) CLERK'S COMPENSATION

The Clerk's compensation for the year ended June 30, 2011, as established by law for salary, statutory allowance, and custodian of voting machines, was \$108,000, \$10,800, and \$2,400, respectively.

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

(14) CHANGE IN AGENCY FUND BALANCE

The following is a summary of change in agency fund unsettled deposits.

	Unsettled Deposits <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	Unsettled Deposits <u>June 30, 2011</u>
Advance deposit	\$ 5,997,765	\$ 7,796,148	\$ 7,459,986	\$ 6,333,927
Registry of court	<u>11,596,276</u>	<u>4,204,156</u>	<u>8,099,260</u>	<u>7,701,172</u>
Total	<u>\$ 17,594,041</u>	<u>\$ 12,000,304</u>	<u>\$ 15,559,246</u>	<u>\$ 14,035,099</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
Fees, charges and commissions for services:			
Court costs, fees and charges	\$ 4,936,500	\$ 4,815,821	\$ (120,679)
Fees for recording legal documents	2,857,000	2,846,120	(10,880)
Fees for certified copies	225,000	266,668	41,668
Marriage licenses	27,500	26,427	(1,073)
Interest	73,000	58,965	(14,035)
Other	499,250	828,927	329,677
	<u>8,618,250</u>	<u>8,842,928</u>	<u>224,678</u>
<u>EXPENDITURES:</u>			
General government:			
Administration	460,821	482,057	(21,236)
Recordings and filings	1,660,920	1,699,153	(38,233)
Land records	1,207,410	1,176,649	30,761
Civil suits and probates	2,898,900	2,883,088	15,812
Criminal suits and minutes	1,952,370	2,174,294	(221,924)
Elections	187,346	199,022	(11,676)
Computers	237,743	302,229	(64,486)
	<u>8,605,510</u>	<u>8,916,492</u>	<u>(310,982)</u>
Excess (deficiency) of revenues over expenditures	<u>12,740</u>	(73,564)	<u>(86,304)</u>
<u>OTHER FINANCING SOURCES:</u>			
Proceeds from sale of asset	<u>-</u>	25,000	<u>25,000</u>
	<u>-</u>	25,000	<u>25,000</u>
Net change in fund balance	<u>\$ 12,740</u>	(48,564)	<u>\$ (61,304)</u>
FUND BALANCE, BEGINNING		<u>3,418,091</u>	
FUND BALANCE, ENDING		<u>\$ 3,369,527</u>	

(See Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
STATE OF LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
6/30/2010	\$ -	\$ 6,341,535	\$ 6,341,535	\$ -	\$ 4,733,120	134%

(See Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF REVENUES
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

COURT COSTS, FEES AND CHARGES:

Fees - advance deposit	\$ 4,153,571
Criminal costs	614,884
Court attendance	39,960
DA bond forfeiture	82
Other	<u>7,324</u>
Total court costs, fees and charges	<u>4,815,821</u>

RECORDING LEGAL DOCUMENTS:

Recording	2,517,413
Cancellations	201,541
Certificates	47,126
UCC fees	58,232
Parish Council costs	17,860
SE legal service costs	<u>3,948</u>
Total recording legal documents	<u>2,846,120</u>

CERTIFIED COPIES 266,668**OTHER REVENUES:**

Internet income	544,626
Non-support	191,339
Passports	42,703
Other	49,660
Computer time	<u>599</u>
Total other revenue	<u>828,927</u>

MARRIAGE LICENSES 26,427**INTEREST EARNINGS** 58,965

Total revenues \$ 8,842,928

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

ADMINISTRATION:

Personnel services	\$ 396,926
Operating services	75,219
Materials and supplies	7,415
Seminars and conventions	2,497
	<hr/>
Total administration	482,057

RECORDING AND FILINGS:

Personnel services	1,480,692
Operating services	97,513
Materials and supplies	64,232
Seminars and conventions	3,771
Capital outlay	52,945
	<hr/>
Total recording and filings	1,699,153

LAND RECORDS:

Personnel services	1,047,915
Operating services	69,807
Materials and supplies	45,974
Seminars and conventions	1,438
Capital outlay	11,515
	<hr/>
Total land records	1,176,649

CIVIL:

Personnel services	2,595,154
Operating services	176,746
Materials and supplies	102,649
Seminars and conventions	1,223
Capital outlay	7,316
	<hr/>
Total civil	2,883,088

(See Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES (CONTINUED)
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

CRIMINAL:

Personnel services	\$ 1,950,900
Operating services	129,639
Materials and supplies	85,656
Seminars and conventions	903
Capital outlay	<u>7,196</u>
Total criminal	<u>2,174,294</u>

ELECTIONS:

Personnel services	181,424
Operating services	10,114
Materials and supplies	5,653
Seminars and conventions	311
Capital outlay	<u>1,520</u>
Total elections	<u>199,022</u>

COMPUTERS:

Personnel services	194,890
Operating services	49,912
Materials and supplies	5,828
Seminars and conventions	607
Capital outlay	<u>50,992</u>
Total computers	<u>302,229</u>
Total expenditures	<u>\$ 8,916,492</u>

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 963,927	\$ 7,701,172	\$ 8,665,099
Investments	<u>5,370,000</u>	<u>-</u>	<u>5,370,000</u>
 Total assets	 <u>\$ 6,333,927</u>	 <u>\$ 7,701,172</u>	 <u>\$ 14,035,099</u>
<u>LIABILITIES:</u>			
Unsettled deposits	\$ <u>6,333,927</u>	\$ <u>7,701,172</u>	\$ <u>14,035,099</u>
 Total liabilities	 <u>\$ 6,333,927</u>	 <u>\$ 7,701,172</u>	 <u>\$ 14,035,099</u>

(See Auditors' Report)

ST. TAMMANY PARISH CLERK OF COURT
ST. TAMMANY PARISH, LOUISIANA
SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<u>ADDITIONS:</u>			
Deposits:			
Suits and successions	\$ 7,795,223	\$ -	\$ 7,795,223
Judgements	-	4,180,771	4,180,771
Interest earned on investments	-	23,385	23,385
	<u>7,795,223</u>	<u>4,204,156</u>	<u>11,999,379</u>
Total additions			
<u>REDUCTIONS:</u>			
Clerk costs	4,327,452	239	4,327,691
Settlements to litigants	1,514,201	8,099,022	9,613,223
Other	693,542	-	693,542
Sheriff's fees	490,143	-	490,143
Parish Council costs	226,688	-	226,688
22nd Judicial District Court fund	121,988	-	121,988
Secretary of State	31,105	-	31,105
Stenographer fees	24,060	-	24,060
Court of Appeals	8,628	-	8,628
	<u>7,437,807</u>	<u>8,099,261</u>	<u>15,537,068</u>
Total reductions			
Change in unsettled deposits	357,416	(3,895,105)	(3,537,689)
Unsettled deposits, beginning	<u>5,976,511</u>	<u>11,596,277</u>	<u>17,572,788</u>
Unsettled deposits, ending	<u>\$ 6,333,927</u>	<u>\$ 7,701,172</u>	<u>\$ 14,035,099</u>

(See Auditors' Report)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. Tammany Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 2011, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated December 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Honorable Malise Prieto
St. Tammany Parish Clerk of Court
December 27, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 27, 2011

A handwritten signature in black ink that reads "Ericksen, Krentel & LaPorte" followed by a stylized flourish.

Certified Public Accountants

ST. TAMMANY PARISH CLERK OF COURT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

We have audited the financial statements of St. Tammany Parish Clerk of Court as of and for the year ended June 30, 2011, and have issued our report thereon dated December 27, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITORS' REPORTS

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

- Material Weaknesses _____ Yes X No
- Control Deficiencies _____ Yes X No

Compliance

Compliance Material to Financial Statements ____ Yes X No

- b. Federal Awards – **NOT APPLICABLE**
- c. Management Letter – **NOT APPLICABLE**

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

ST. TAMMANY PARISH CLERK OF COURT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable

SECTION II – MANAGEMENT LETTER

Not applicable